

510C.1 Definitions.

As used in [this chapter](#) unless the context otherwise requires:

1. “*Administrative fees*” means a fee or payment, other than a rebate, under a contract between a pharmacy benefits manager and a pharmaceutical drug manufacturer in connection with the pharmacy benefits manager’s management of a health carrier’s prescription drug benefit, that is paid by a pharmaceutical drug manufacturer to a pharmacy benefits manager or is retained by the pharmacy benefits manager.

2. “*Aggregate retained rebate percentage*” means the percentage of all rebates received by a pharmacy benefits manager that is not passed on to the pharmacy benefits manager’s health carrier clients.

3. “*Commissioner*” means the commissioner of insurance.

4. “*Covered person*” means the same as defined in [section 514J.102](#).

5. “*Formulary*” means a complete list of prescription drugs eligible for coverage under a health benefit plan.

6. “*Health benefit plan*” means the same as defined in [section 514J.102](#).

7. “*Health carrier*” means the same as defined in [section 514J.102](#).

8. “*Health carrier administrative service fee*” means a fee or payment under a contract between a pharmacy benefits manager and a health carrier in connection with the pharmacy benefits manager’s administration of the health carrier’s prescription drug benefit that is paid by a health carrier to a pharmacy benefits manager or is otherwise retained by a pharmacy benefits manager.

9. “*Pharmacy benefits manager*” means a person who, pursuant to a contract or other relationship with a health carrier, either directly or through an intermediary, manages a prescription drug benefit provided by the health carrier.

10. “*Prescription drug benefit*” means a health benefit plan providing for third-party payment or prepayment for prescription drugs.

11. “*Rebate*” means all discounts and other negotiated price concessions paid directly or indirectly by a pharmaceutical manufacturer or other entity, other than a covered person, in the prescription drug supply chain to a pharmacy benefits manager, and which may be based on any of the following:

a. A pharmaceutical manufacturer’s list price for a prescription drug.

b. Utilization.

c. To maintain a net price for a prescription drug for a specified period of time for the pharmacy benefits manager in the event the pharmaceutical manufacturer’s list price increases.

d. Reasonable estimates of the volume of a prescribed drug that will be dispensed by a pharmacy to covered persons.

[2019 Acts, ch 88, §1](#); [2020 Acts, ch 1063, §279 – 281](#)